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SUGAR REPORTS

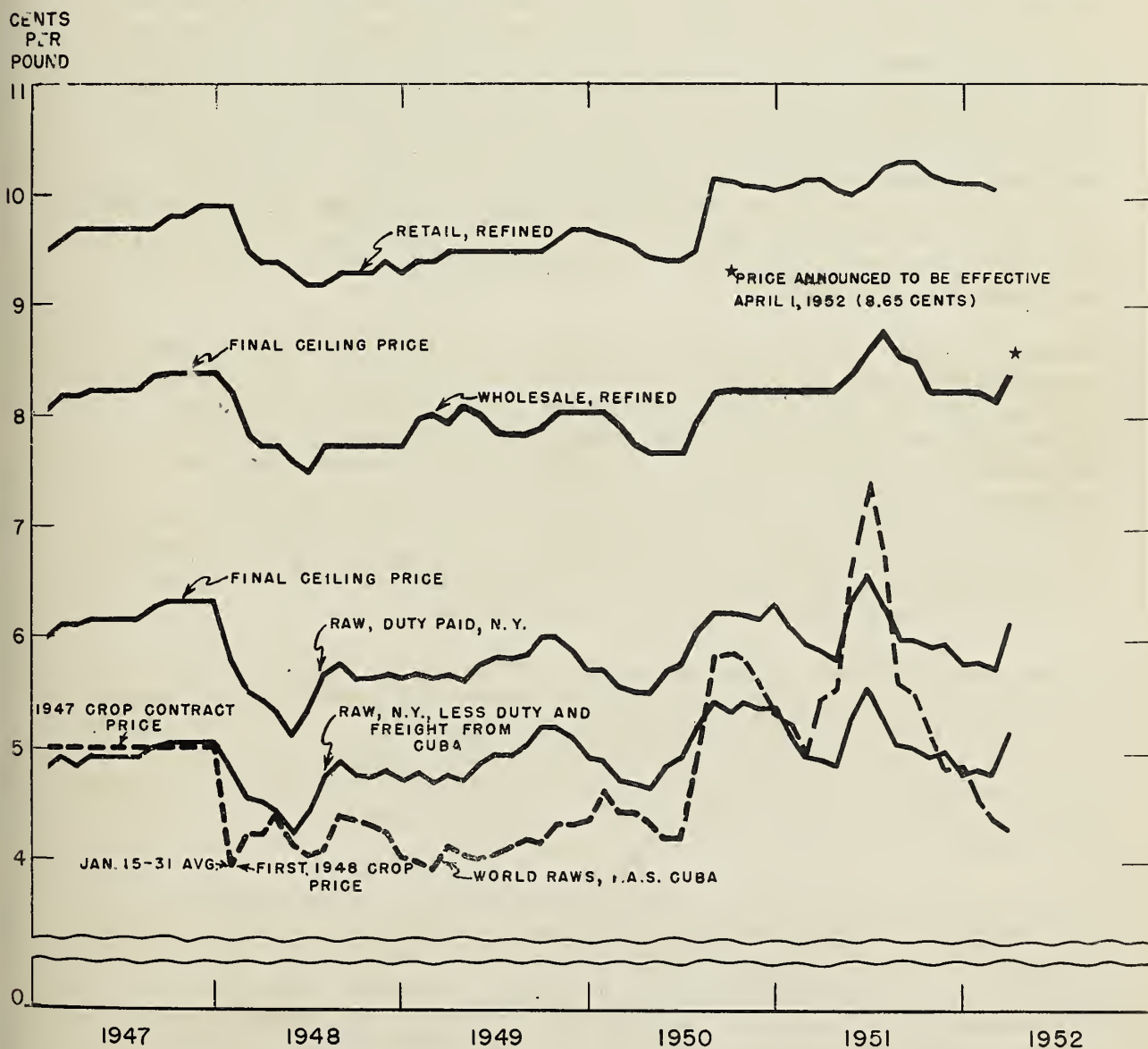
U. S. DEPARTMENT OF AGRICULTURE • PRODUCTION AND MARKETING ADMINISTRATION • SUGAR BRANCH

Washington, D. C.

April 9, 1952

No. 15

SUGAR PRICES-RAW AND REFINED MONTHLY, JANUARY 1947 TO DATE



U. S. DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

Figure 1. Following the outbreak of hostilities in Korea, the price of raw sugar both to the U. S. market and to the world market rose markedly. However the world price rose further and more sharply than the U. S. price. After peace negotiations began in June of 1951 prices began to decline with the world price again showing a discount below the domestic price. Recent increases in the U. S. market and a continued decline in world prices widened the gap between these prices, reaching approximately 1 cent per pound during the last week of March, 1952.

MARKET REVIEW

From June 1951 until February 1952 sugar prices in both the domestic and world markets followed a generally downward trend. During the latter half of 1951 the weakness in domestic prices and demand reflected the action of consumers, industrial users, and distributors using up supplies that had been accumulated during the hoarding movement of 1950 and the heavy buying movement of May and June 1951. As the 1952 harvesting period for the Caribbean crops approached, progressively more attention was given to the probable market effects of the anticipated record Cuban and Puerto Rican crops. It appeared to be quite generally assumed that prices would continue to decline during the spring months regardless of their level later in the year. As a result, buyers tended to delay purchases. At the low point on February 20, 1952 duty-paid raw sugar reached 5.65 cents per pound, New York, which was also the low point reached on April 12, 1951. In contrast, the price at the peak on June 22, 1951 was 6.80 cents per pound. In the world market the price of raw sugar f.a.s. Cuba fell to 4.30 cents per pound on March 6, compared with a high of 8.05 cents per pound in June 1951.

During February it became evident that only minor quantities of sugar were available in the domestic market at the low prices then being quoted. On the demand side, increasing recognition was given to the basic fact that stocks in the hands of distributors and users had reached a minimum and that increased purchases were inevitable. Refiners were not in a position to continue to await low priced supplies. Accordingly, refiners entered the market and prices were soon bid up to a point where more adequate supplies became available. The duty-paid domestic price of raw sugar recovered to 6.55 cents per pound, where it has remained since March 28.

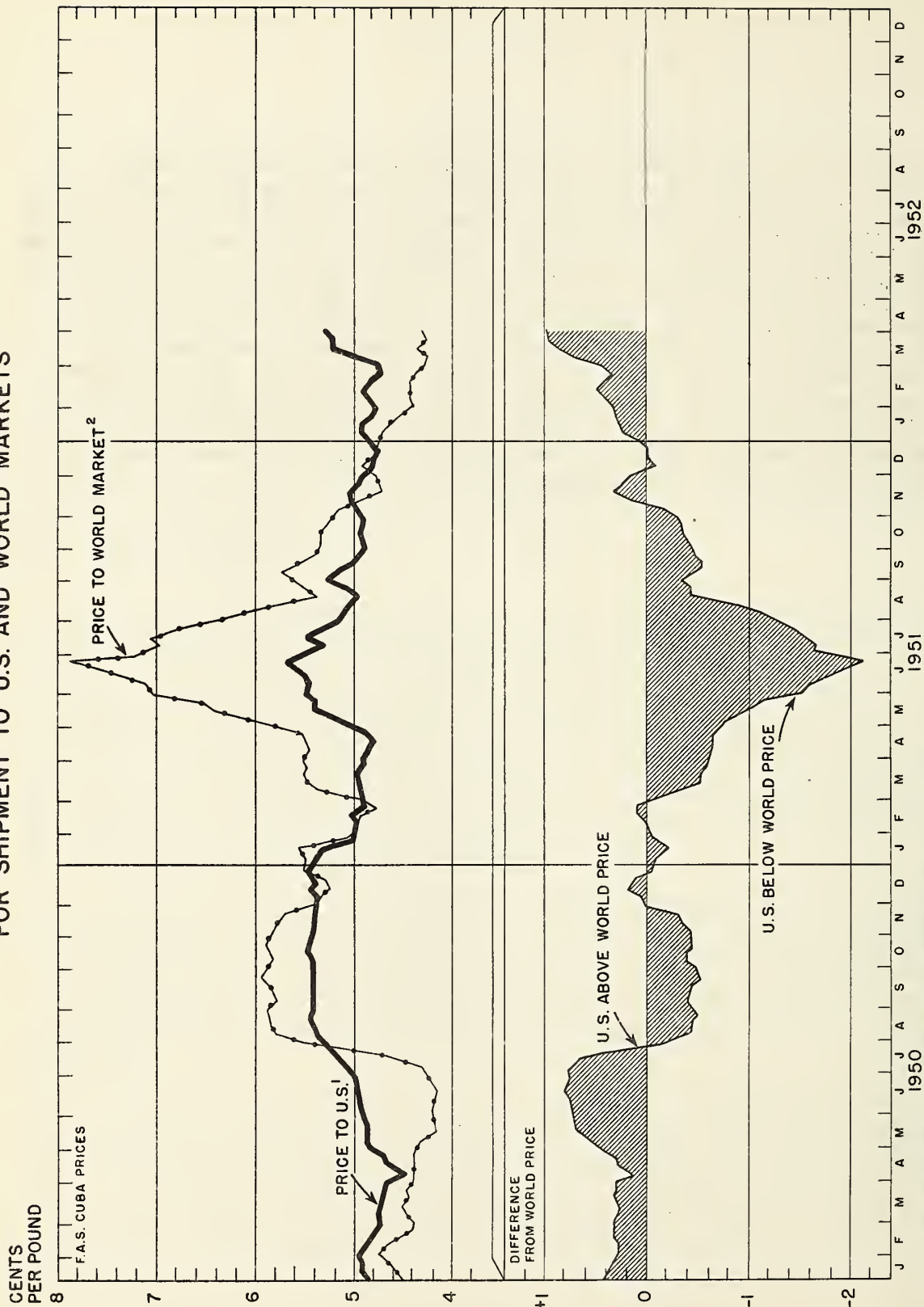
Increases in refined prices partially reflected the increases in the raw market. Refined cane sugar is currently quoted at 8.65 cents per pound, and beet sugar is currently quoted at 8.45 cents per pound. However, the prices are apparently not firm. A number of refiners are reported to be continuing to take business at 8.50 cents per pound, and beet processors are reported to be taking business at 8.30 cents per pound.

At the quoted price of 8.65 cents per pound for refined sugar and 6.55 cents per pound for raws, the current calculated refiners' margin is narrower than it was at the low point in February when the refined price was 8.15 and the raw price was 5.65. However, significant quantities of sugar appear to have been available at recent prices, whereas only negligible quantities were available at the February low point.

Domestic sugar prices are again at a premium over world prices. After the outbreak of fighting in Korea in late June 1950 world prices rose to a premium over domestic prices. The extreme point was reached in June 1951 when the world price reached 8.05 cents per pound, f.a.s. Cuba, in contrast to a domestic peak of 6.30 cents per pound, equivalent to 5.80 cents per pound, f.a.s. Cuba. After June the world price declined more rapidly than the U. S. domestic price and recently the world price has been approximately 1 cent per pound below the Cuban price of quota sugar for shipment to the U. S. The armistice talks and easing of international tensions, the tightening of the dollar shortage, and the recognition that world production is increasing faster than world consumption were the factors bringing about the decline in world sugar prices.

RAW SUGAR QUOTA PREMIUMS AND DISCOUNTS

WEEKLY COMPARISON, F.A.S. CUBA PRICES OF RAW SUGAR FOR SHIPMENT TO U.S. AND WORLD MARKETS



1. NEW YORK PRICE LESS DUTY AND FREIGHT AND INSURANCE FROM HAVANA, CUBA

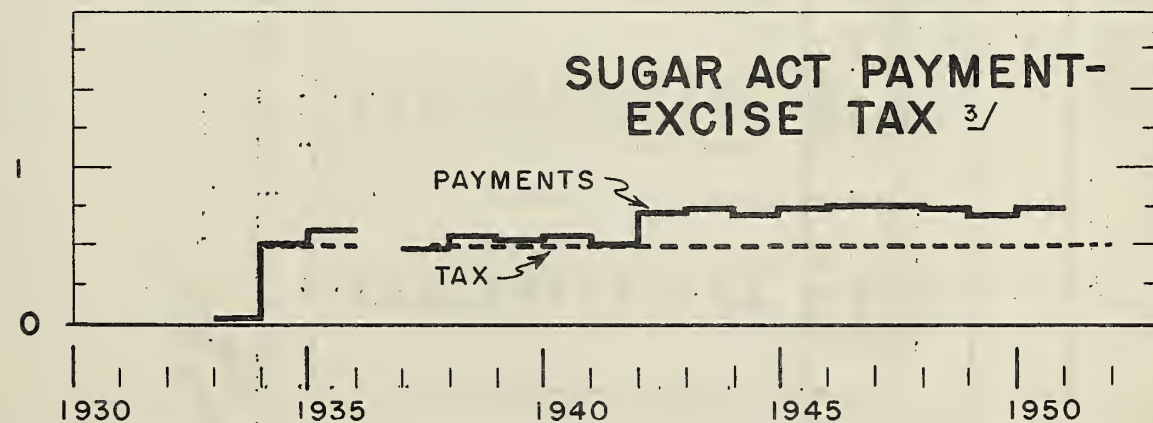
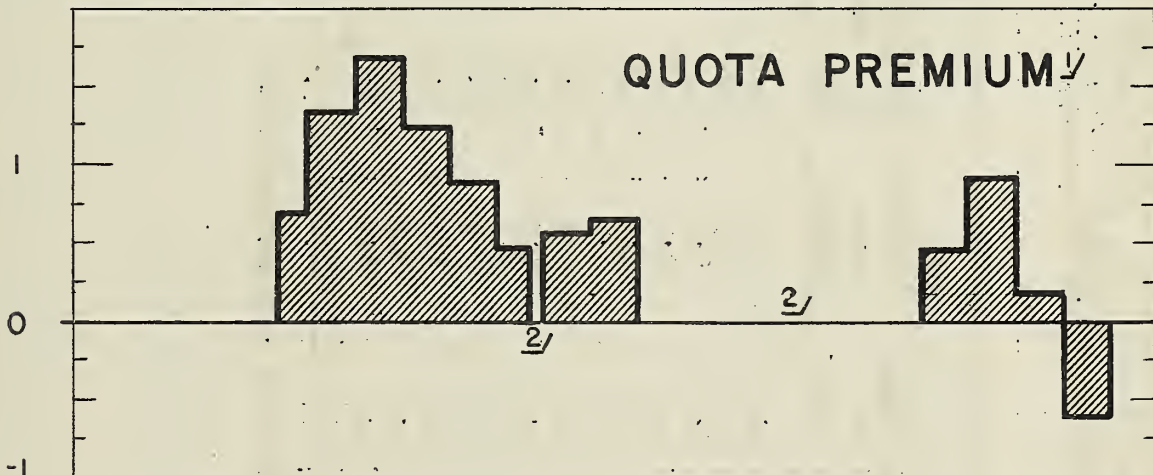
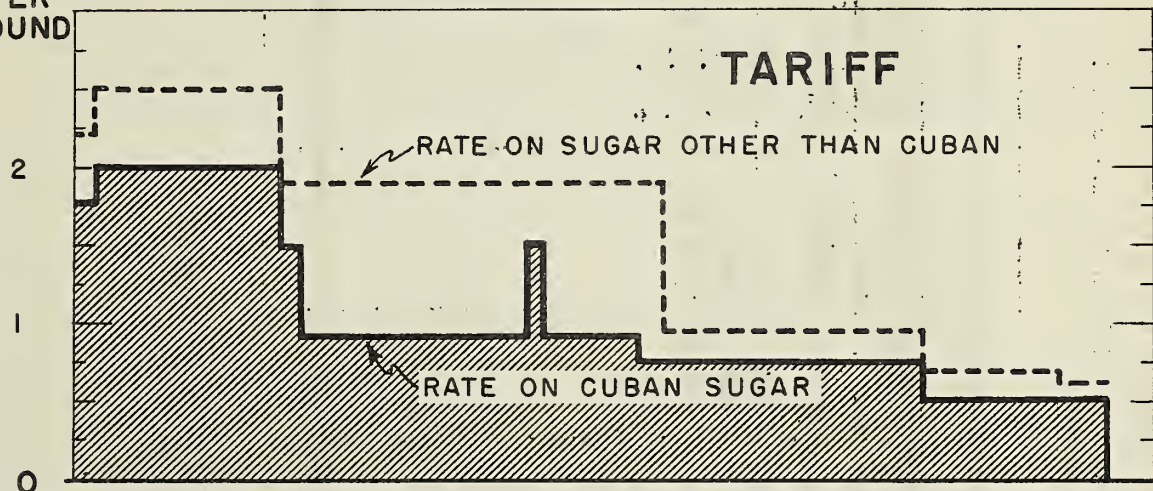
2. F.A.S. HAVANA, CUBA

Figure 2

PROTECTION GIVEN DOMESTIC SUGAR INDUSTRY

(PER POUND RAW SUGAR)

CENTS
PER
POUND



^{1/} SPREAD: N.Y. PRICE (LESS DUTY AND FREIGHT) AND WORLD PRICE

^{2/} QUOTA NOT IN EFFECT

^{3/} EXCISE TAX PAID ON PROCESSING OR IMPORTING OF SUGAR; SUGAR ACT PAYMENT MADE TO DOMESTIC GROWERS.

Figure 3.

Table 1 RAW SUGAR QUOTA PREMIUMS AND DISCOUNTS MONTHLY COMPARISON, F.A.S. CUBA PRICES OF RAW SUGAR
FOR SHIPMENT TO U. S. AND WORLD MARKETS
(CENTS PER POUND)

Month	1950			1951			1952		
	Price to U.S.1/	World Market	Differences from World Market	Prices to U.S.1/	World Market	Differences from World Market	Prices to U.S.1/	World Market	Differences from World Market
January	4.9	4.6	± 0.3	5.1	5.2	- 0.1	4.8	4.5	± 0.3
February	4.7	4.5	± 0.2	5.0	5.0	0.0	4.8	4.4	± 0.4
March	4.7	4.4	± 0.3	4.9	5.5	- 0.6	5.2 3/	4.3 3/	± 0.9 3/
April	4.7	4.4	± 0.3	4.9	5.6	- 0.7			
May	4.9	4.2	± 0.7	5.4	6.6	- 1.2			
June	5.0	4.2	± 0.8	5.6	7.4	- 1.8			
July	5.2	4.9	± 0.3	5.3	6.8	- 1.5			
August	5.4	5.8	- 0.4	5.0	5.6	- 0.6			
September	5.4	5.9	- 0.5	5.0	5.5	- 0.5			
October	5.4	5.8	- 0.4	4.9	5.3	- 0.4			
November	5.4	5.6	- 0.2	5.0	4.8	± 0.2			
December	5.4	5.4	0.0	4.8	4.8	0.0			
Year av.	5.1	5.0	± 0.1	5.1	5.7	- 0.6			

1/ New York price less duty, freight, and insurance from Havana, Cuba

2/ F.A.S. Havana, Cuba

3/ Through March 25, 1952

Table 2.

SUGAR PRICES, RAW AND REFINED BY
MONTHS JANUARY 1950 TO DATE
(cents per pound)

Month	RAW SUGAR			REFINED SUGAR	
	: New York, less			: Gross	
	: duty and freight			: Wholesale	
	: from Cuba computed			: Retail	
	New York	price 2/	f.a.s.	New York	large
	Duty Paid 1/		Cuba 3/	with tax 4/	cities 5/
<u>1950</u>					
Jan.	5.74	4.92	4.62	8.05	9.66
Feb.	5.59	4.76	4.47	7.92	9.60
March	5.54	4.71	4.44	7.73	9.54
April	5.52	4.69	4.37	7.70	9.46
May	5.70	4.88	4.21	7.70	9.42
June	5.78	4.96	4.21	7.70	9.42
July	6.07	5.25	4.89	7.97	9.50
Aug.	6.25	5.42	5.83	8.22	10.14
Sept.	6.25	5.41	5.88	8.25	10.12
Oct.	6.23	5.42	5.84	8.25	10.06
Nov.	6.19	5.39	5.58	8.25	10.04
Dec.	6.30	5.40	5.36	8.25	10.02
Ave.	5.93	5.09	4.98	8.00	9.75
<u>1951</u>					
Jan.	6.09	5.14	5.24	8.25	10.04
Feb.	5.96	4.96	4.96	8.25	10.06
March	5.90	4.94	5.48	8.25	10.06
April	5.81	4.88	5.57	8.25	10.02
May	6.36	5.40	6.62	8.40	10.00
June	6.59	5.57	7.41	8.60	10.04
July	6.30	5.30	6.75	8.74	10.24
Aug.	6.00	5.05	5.61	8.52	10.28
Sept.	6.00	5.03	5.52	8.50	10.28
Oct.	5.93	4.95	5.28	8.25	10.18
Nov.	5.97	5.00	4.83	8.25	10.14
Dec.	5.79	4.79	4.84	8.25	10.12
Ave.	6.06	5.08	5.68	8.38	10.12
<u>1952</u>					
Jan.	5.80	4.84	4.54	8.21	10.12
Feb.	5.77	4.81	4.38	8.15	10.08
March	6.16	5.19	4.30	8.39 6/	

1/ New York Coffee & Sugar Exchange Spot Prices Domestic Contract plus 0.50 cent duty.

2/ Column 1 prices less duty and freight. Freight rates from Cuba to New York were obtained from the following sources: 1950-1951 Lamborn & Co.; January - March 1952, Willett & Gray.

3/ Average monthly price New York Coffee & Sugar Exchange.

4/ Lamborn & Company prices subject to two per cent discount.

5/ Bureau of Labor Statistics, Department of Labor.

6/ Price rose to 8.65 cents on April 1.

DISTRIBUTION OF SUGAR

Deliveries of sugar for United States consumption by primary distributors, by years, from 1935 through 1951 are shown in Table 3.

TABLE 3. DELIVERIES OF SUGAR FOR UNITED STATES CONSUMPTION BY PRIMARY DISTRIBUTORS BY YEARS 1935 TO 1951 AND BY TYPES OF DISTRIBUTORS 1948-1951.

(1,000 short tons, raw value)

::	:	::	:	::	:	::
:: Calendar	: Quantity	:: Calendar	: Quantity	:: Calendar	: Quantity	::
:: year	:	:: year	:	:: year	:	::
::	:	::	:	::	:	::
:: 1935	: 6,634	:: 1941	: 8,069	:: 1947	: 7,448	::
:: 1936	: 6,706	:: 1942	: 5,466	:: 1948	: 7,343	::
:: 1937	: 6,671	:: 1943	: 6,335	:: 1949	: 7,580	::
:: 1938	: 6,643	:: 1944	: 7,147	:: 1950	: 8,279	::
:: 1939	: 6,868	:: 1945	: 6,040	:: 1951	: 7,737	::
:: 1940	: 6,891	:: 1946	: 5,621	::	:	::
::	:	::	:	::	:	::

Type of Distributor	Calendar year			
	1948	1949	1950	1951
Cane sugar refiners:				
Refined sugar	5,151	5,486	5,928	5,478
Raw sugar	2	2	3	2
Beet sugar processors:	1,657	1,487	1,749	1,730
Importers of direct consumption sugar	512	514	554	491
Continental cane mills, (direct consumption sugar)	98	135	105	118
Total	7,420	7,624	8,339	7,819
For export	77	44	60	82
For U. S. consumption ^{1/}	7,343	7,580	8,279	7,737

^{1/} Includes deliveries for military forces at home and abroad.

From 1935 through 1940 annual deliveries ranged between 6.6 million tons and 6.9 million tons. There was a sharp rise in 1941 when deliveries totaled approximately 8.1 million tons, about 18 percent larger than in 1940. During World War II, from 1942 through 1945, deliveries fluctuated from one year to another much more than usual. They decreased 2.6 million tons in 1942, increased 0.9 million and 0.8 million tons in 1943 and 1944 respectively, decreased 1.1 million tons in 1945, and 0.4 million in 1946. These wartime fluctuations were due to changing availability of supplies. Deliveries reached an all time peak of slightly less than 8.3 million tons in 1950. Although 6.5 percent less than in 1950, deliveries in 1951 totaled slightly more than 7.7 million tons, the highest of any year except 1941 and 1950.

The proportionate part of total deliveries distributed by each type of primary distributor was about the same in 1951 as it was in 1948 (Table 3). Cane sugar refiners delivered 69.4 percent of the total in 1948, 72.0 percent in 1949, 71.1 percent in 1950, and 70.1 percent of the total deliveries in 1951. Beet sugar processors delivered 22.3 percent of the total in 1948, 19.5 percent in 1949, 21.0 percent in 1950, and 22.1 percent of the total in 1951. Importers of direct consumption sugar delivered between 6.3 percent and 6.9 percent, and continental cane mills between 1.3 percent and 1.8 percent of the total each year from 1948 to 1951.

Deliveries of sugar by primary distributors in 1951 reached their peak, 1,095,000 short tons, in May, two months earlier than in 1950 (Table 4).

TABLE 4. DELIVERIES OF SUGAR FOR UNITED STATES CONSUMPTION BY MONTHS FOR 1950 AND 1951, AND FOR 1951 ADJUSTED TO SEASONAL BASIS (AVERAGE PERCENTAGE FOR 6-SELECTED YEARS) 1/

Month	1950		1951		Adjusted to		6 Selected
	Actual		Actual		seasonal basis 2/		
	(1,000 short tons)	(Percent)	(1,000 short tons)	(Percent)	(1,000 short tons)	(Percent)	years 1/
	(raw value)	(of total)	(raw value)	(of total)	(raw value)	(of total)	(of total)
January	509	6.2	652	8.4	474	6.1	6.1
February	502	6.1	553	7.2	515	6.7	6.7
March	619	7.5	530	6.8	620	8.0	8.0
April	563	6.8	524	6.8	650	8.4	8.4
May	738	8.9	1,095	14.2	634	8.2	8.2
June	862	10.4	803	10.4	737	9.5	9.5
July	1,189	14.3	510	6.6	775	10.0	10.0
August	946	11.4	670	8.7	767	9.9	9.9
September	654	7.9	645	8.3	732	9.5	9.5
October	505	6.1	677	8.7	607	7.9	7.9
November	510	6.2	557	7.2	591	7.6	7.6
December	682	8.2	521	6.7	635	8.2	8.2
Total	8,279	100.0	7,737	100.0	7,737	100.0	100.0

1/ Weighted averages for years 1935, 1936, 1938, 1940, 1948 and 1949.

2/ Monthly ratios of weighted averages for the 6 selected years indicated in footnote 1.

ENTRIES AND MARKETINGS OF SUGAR IN THE
CONTINENTAL UNITED STATES

Entries and marketings of sugar in the continental United States from 1935 through 1951 and by areas of origin from 1949 through 1951 are shown in Tables 5 and 6.

Table 5-ENTRIES AND MARKETINGS OF SUGAR IN THE CONTINENTAL UNITED STATES
1935-1951

(1,000 short tons, raw value)					
Calendar year	: Charges against quotas	: Calendar year	: Charges against quotas	: Calendar year	: Charges against quotas
1935	: 6,277	: 1941	: 8,008	: 1947	: 7,758 ^{2/}
1936	: 6,834	: 1942	: 5,556 ^{1/}	: 1948	: 7,084
1937	: 6,861	: 1943	: 6,466 ^{2/}	: 1949	: 7,588
1938	: 6,619	: 1944	: 6,941 ^{2/}	: 1950	: 8,274
1939	: 7,465 ^{1/}	: 1945	: 5,996 ^{2/}	: 1951	: 7,762
1940	: 6,443	: 1946	: 5,657 ^{2/}		

^{1/} Quotas suspended September 11, 1939 and April 13, 1942.

^{2/} No quotas were established for 1943-47; "Charges against quotas" for those years represent importations and marketings.

Table 6 ENTRIES AND MARKETINGS OF SUGAR IN THE CONTINENTAL UNITED STATES
BY AREA OF ORIGIN FOR CALENDAR YEARS 1949-1951
(1,000 short tons, raw value)

Area	1949	1950	1951
Domestic beet	1,486	1,749	1,730
Mainland cane	558	518	460
Hawaii	769	1,145	941
Puerto Rico	1,091	1,053	959
Virgin Islands	4	11	6
Philippines	525	473	706
Cuba	3,103	3,264	2,947
Other foreign countries ^{1/}	52	61	13
Total	7,588	8,274	7,762

^{1/} In addition the following quantities were charged against the quotas but subsequently credited under the provisions of Section 818.4 of Sugar Regulation 818, Revision 1 (draw-back allowances); 1949, 3,833 short tons; 1950, 705 short tons; 1951, 15,383 short tons.

SUGAR, DEXTROSE, AND CORN SIRUP DELIVERIES

Deliveries of sugar, dextrose, and corn sirup for the fourth quarter, and for the calendar year 1951 to various types of buyers, and by geographic areas are shown in Tables 7 to 14.

The data cover all dextrose and corn sirup deliveries in the United States for the period indicated in the tables, and approximately 96 percent of the sugar distributed by refiners, importers, and beet processors.

TABLE 7.

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	3,127,767	+10.0
Confectionery and related products	3,114,594	-12.0
Ice cream and dairy products	934,086	-14.7
Beverages	2,695,430	-10.7
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	2,109,626	- 5.4
Multiple and all other food uses	1,250,408	+ 9.7
Non-food products	149,776	+14.9
Hotels, restaurants, institutions	180,247	+36.8
Wholesale grocers, jobbers, sugar dealers	12,451,833	+12.3
Retail grocers, chain stores, super markets	4,872,466	+ 9.9
All other deliveries, including de- liveries to Government agencies	530,077	+ 5.5
TOTAL DELIVERIES	31,466,310	+ 4.2
Deliveries in consumer-size packages (less than 100 pounds)	11,962,606	+14.3
<u>New England</u>		
Bakery and allied products; cereals and cereal products	131,278	+ .7
Confectionery and related products	393,415	- 6.1
Ice cream and dairy products	58,195	+ .4
Beverages	96,548	+10.0
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	158,118	- 2.4
Multiple and all other food uses	22,508	-19.5
Non-food products	4,380	-22.1
Hotels, restaurants, institutions	15,613	-16.9
Wholesale grocers, jobbers, sugar dealers	687,086	+ 3.7
Retail grocers, chain stores, super markets	426,532	+ 8.0
All other deliveries, including de- liveries to Government agencies	8,235	-53.0
TOTAL DELIVERIES	2,001,908	+ .9
Deliveries in consumer-size packages (less than 100 pounds)	811,134	+ 7.2

(continued)

TABLE 7 (contd.)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	978,388	+ 6.0
Confectionery and related products	1,261,869	-16.8
Ice cream and dairy products	236,859	- 9.3
Beverages	739,882	- 2.8
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	538,557	- 5.5
Multiple and all other food uses	654,425	+ 3.9
Non-food products	74,313	+13.8
Hotels, restaurants, institutions	78,210	- 4.7
Wholesale grocers, jobbers, sugar dealers	1,928,300	+11.4
Retail grocers, chain stores, super markets	1,233,848	+13.7
All other deliveries, including de- liveries to Government agencies	41,700	-61.6
<u>TOTAL DELIVERIES</u>	<u>7,766,351</u>	<u>+ 0.4</u>
Deliveries in consumer-size packages (less than 100 pounds)	2,375,178	+13.3
<u>North Central</u>		
Bakery and allied products; cereals and cereal products	953,009	+ 9.7
Confectionery and related products	918,232	-16.3
Ice cream and dairy products	335,640	-33.8
Beverages	584,287	- 9.9
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	322,200	-15.9
Multiple and all other food uses	414,510	+44.8
Non-food products	12,745	-57.0
Hotels, restaurants, institutions	13,957	+28.5
Wholesale grocers, jobbers, sugar dealers	4,151,112	+12.9
Retail grocers, chain stores, super markets	1,388,415	+ .4
All other deliveries, including de- liveries to Government agencies	48,799	-15.6
<u>TOTAL DELIVERIES</u>	<u>9,142,906</u>	<u>+ 2.2</u>
Deliveries in consumer-size packages (less than 100 pounds)	3,524,055	+12.3

(continued)

Table 7 (continued)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYERS, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	612,043	+ 11.2
Confectionery and related products	320,892	+ 15.7
Ice cream and dairy products	144,374	+ 15.7
Beverages	972,766	- 22.5
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	401,934	+ 3.8
Multiple and all other food uses	75,261	- 21.8
Non-food products	58,090	+ 95.2
Hotels, restaurants, institutions	65,010	+ 341.7
Wholesale grocers, jobbers, sugar dealers	4,197,796	+ 14.9
Retail grocers, chain stores, super markets	1,226,128	+ 14.0
All other deliveries, including de- liveries to Government agencies	146,571	- 43.6
<u>TOTAL DELIVERIES</u>	<u>8,218,865</u>	<u>+ 6.5</u>
Deliveries in consumer-size packages (less than 100 pounds)	3,589,446	+ 15.1
<u>West</u>		
Bakery and allied products; cereals and cereal products	453,049	+ 19.8
Confectionery and related products	220,186	- 3.5
Ice cream and dairy products	159,018	+ 10.5
Beverages	301,947	+ 14.2
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	688,817	- 5.4
Multiple and all other food uses	83,704	- 16.0
Non-food products	248	+ 230.7
Hotels, restaurants, institutions	9,379	+ 63.2
Wholesale grocers, jobbers, sugar dealers	1,487,538	+ 9.5
Retail grocers, chain stores, super markets	597,543	+ 20.4
All other deliveries, including de- liveries to Government agencies	334,850	+ 215.8
<u>TOTAL DELIVERIES</u>	<u>4,336,279</u>	<u>+ 13.8</u>
Deliveries in consumer-size packages (less than 100 pounds)	1,663,194	+ 22.4

Note: Some data in this table are included in comparable types of product to avoid disclosing individual company data.

Source: Reports of primary distributors of sugar to the Sugar Branch, PMA.

Table 8

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, CALENDAR YEAR 1951

Area and Product or Business of Buyer	Calendar year 1951 (cwt.)	Change from calendar year 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	12,444,449	-2.2
Confectionery and related products	12,450,059	-13.4
Ice cream and dairy products	5,140,380	+1.3
Beverages	14,404,373	-4.7
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	11,165,275	+1.4
Multiple and all other food uses	4,925,558	-1.4
Non-food products	793,859	+1.8
Hotels, restaurants, institutions	575,529	+3.9
Wholesale grocers, jobbers, sugar dealers	54,217,502	-10.8
Retail grocers, chain stores, super markets	20,514,977	-12.5
All other deliveries, including de- liveries to Government agencies	2,247,208	+27.8
TOTAL DELIVERIES	138,879,169	-7.8
Deliveries in consumer-size packages (less than 100 pounds)	50,595,077	-12.0
<u>New England</u>		
Bakery and allied products; cereals and cereal products	525,595	-10.7
Confectionery and related products	1,384,219	-6.0
Ice cream and dairy products	309,862	+ .7
Beverages	526,567	+ .1
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	508,953	+3.7
Multiple and all other food uses	126,767	-13.0
Non-food products	16,305	-23.8
Hotels, restaurants, institutions	50,333	-17.7
Wholesale grocers, jobbers, sugar dealers	2,656,695	-16.2
Retail grocers, chain stores, super markets	1,643,379	-14.0
All other deliveries, including de- liveries to Government agencies	61,757	+31.2
TOTAL DELIVERIES	7,810,432	- 10.6
Deliveries in consumer-size packages (less than 100 pounds)	3,042,208	- 16.4

(continued)

Table 8 (contd.)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OR BUYER, CALENDAR YEAR 1951

Area and Product or Business of Buyer	Calendar year 1951 (cwt.)	Change from calendar year 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	3,874,720	-5.6
Confectionery and related products	5,828,626	-9.3
Ice cream and dairy products	1,443,651	-1.7
Beverages	3,719,806	-3.3
Canned, bottled, frozen foods, jams, jellios, preserves, etc.	2,296,932	-5.3
Multiple and all other food uses	2,560,620	-12.4
Non-food products	279,002	- 2.8
Hotels, restaurants, institutions	298,017	-17.7
Wholesale grocers, jobbers, sugar dealers	7,923,418	-15.6
Retail grocers, chain stores, super markets	4,970,444	-12.8
All other deliveries, including de- liveries to Government agencies	452,392	+29.9
TOTAL DELIVERIES	33,647,628	- 9.7
Deliveries in consumer-size packages (less than 100 pounds)	9,530,934	-14.0

North Central

Bakery and allied products; cereals and cereal products	3,826,708	- 4.1
Confectionery and related products	3,522,124	-23.5
Ice cream and dairy products	1,796,730	- 2.0
Beverages	2,683,011	- 7.8
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	1,926,313	- 7.9
Multiple and all other food uses	1,494,879	+21.9
Non-food products	73,375	-44.6
Hotels, restaurants, institutions	74,862	+56.3
Wholesale grocers, jobbers, sugar dealers	18,075,313	-14.8
Retail grocers, chain stores, super markets	5,972,007	-15.7
All other deliveries, including de- liveries to Government agencies	208,197	-22.2
TOTAL DELIVERIES	39,654,069	-12.7
Deliveries in consumer-size packages (less than 100 pounds)	15,013,097	-15.3

(continued)

Table 8 (continued)

SUGAR DELIVERIES, BY TYPE OF PRODUCT OR BUSINESS
OF BUYER, CALENDAR YEAR, 1951

Area and Product or Business of Buyer	Calendar year 1951 (cwt.)	Change from Calendar year 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	2,465,291	+ 2.5
Confectionery and related products	921,321	- 12.3
Ice cream and dairy products	855,946	+ 5.3
Beverages	6,050,731	- 6.6
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	1,661,298	- 9.7
Multiple and all other food uses	341,611	- 8.3
Non-food products	424,063	+ 35.5
Hotels, restaurants, institutions	112,731	+ 88.5
Wholesale grocers, jobbers, sugar dealers	18,937,833	- 3.4
Retail grocers, chain stores, super markets	5,401,519	- 10.6
All other deliveries, including de- liveries to Government agencies	665,342	+ 31.6
TOTAL DELIVERIES	37,837,686	- 4.2
Deliveries in consumer-size packages (less than 100 pounds)	15,909,814	- 9.6
<u>West</u>		
Bakery and allied products; cereals and cereal products	1,752,135	+ 7.2
Confectionery and related products	793,769	- 3.9
Ice cream and dairy products	734,141	+ 12.5
Beverages	1,424,258	+ 5.2
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	4,771,779	+ 14.6
Multiple and all other food uses	401,681	+ 22.7
Non-food products	1,114	- 95.7
Hotels, restaurants, institutions	39,508	+ 68.9
Wholesale grocers, jobbers, sugar dealers	6,623,742	- 10.5
Retail grocers, chain stores, super markets	2,527,628	- 6.5
All other deliveries, including de- liveries to Government agencies	859,598	+ 45.7
TOTAL DELIVERIES	19,929,353	+ 1.1
Deliveries in consumer-size packages (less than 100 pounds)	7,099,425	- 4.9

Note: Some data in this table are included in comparable types of product to avoid disclosing individual company data.

Source: Reports of primary distributors of sugar to the Sugar Branch, PMA.

TABLE 9
SUGAR DELIVERIES BY TYPE OF PRODUCT OR BUSINESS OF BUYER
AND BY TYPE OF SUGAR, FOURTH QUARTER 1951 1/

UNITED STATES

Product or Business of Buyer	Beet (cwt.)	Cane (cwt.)	Imported D.C. (cwt.)	Liquid (cwt.equiv.)	Total Sugar (cwt.)
Bakery, cereal and allied products	981,215	1,872,251	151,743	122,558	3,127,767
Confectionery and related products	634,433	1,757,464	189,246	533,451	3,114,594
Ice cream and dairy products	280,150	368,479	41,158	244,299	934,086
Beverages	435,254	1,449,279	163,368	647,529	2,695,430
Canned, bottled, frozen foods; jams, jellies, preserves	575,360	710,314	268,618	555,334	2,109,626
Multiple and all other food uses	252,483	721,628	12,286	284,011	1,250,408
Non-food products	1,635	119,586	16,648	11,907	149,776
Hotels, restaurants, institutions	10,334	118,008	50,847	1,058	180,247
Wholesale grocers, jobbers sugar dealers	2,468,369	9,431,949	495,372	56,143	12,451,833
Retail grocers, chain stores, super markets	599,666	4,268,800	-	4,000	4,872,466
All other deliveries, including deliveries to Government agencies	158,861	415,123	6,093	-	580,077
TOTAL DELIVERIES	6,397,760	21,232,881	1,395,379	2,440,290	31,466,310
Deliveries in consumer-size packages (less than 100 lb.)	1,692,757	10,187,910	81,939	-	11,962,606

Note: Some data in this table are included in comparable types of product to avoid disclosing individual company data.

1/ Represents approximately 96 percent of deliveries by primary distributors in continental United States.

Source: Reports of primary distributors of sugar to Sugar Branch, FMA.

SUGAR DELIVERIES BY TYPE OF PRODUCT OR BUSINESS OF BUYER
AND BY TYPE OF SUGAR, CALENDAR YEAR 1951 1/

Table 10

UNITED STATES

Product or Business of Buyer	Beet (cwt.)	Cane (cwt.)	Imported D.C. (cwt.)	Liquid (cwt.equiv.)	Total Sugar (cwt.)
Bakery, cereal and allied products	4,264,056	7,042,800	698,999	438,594	12,444,449
Confectionery and related products	2,675,390	6,188,982	1,663,363	1,922,324	12,450,059
Ice cream and dairy products	1,530,648	2,021,734	301,431	1,286,567	5,140,380
Beverages	2,721,795	7,079,706	1,806,007	2,796,865	14,404,373
Canned, bottled, frozen foods; jams, jellies, preserves	3,458,450	3,099,600	1,179,006	3,428,219	11,165,275
Multiple and all other food uses	1,010,551	2,645,795	29,925	1,239,287	4,925,558
Non-food products	18,940	429,559	292,569	52,791	793,859
Hotels, restaurants, institutions	70,593	437,952	62,382	4,602	575,529
Wholesale grocers, jobbers sugar dealers	11,134,612	40,558,916	2,395,642	128,332	54,217,502
Retail grocers, chain stores, super markets	2,834,950	17,454,438	214,696	10,893	20,514,977
All other deliveries, including deliveries to Government agencies	576,577	1,663,451	60.93	1,087	2,247,208
TOTAL DELIVERIES	30,296,562	88,622,933	8,650,113	11,309,561	138,879,169
Deliveries in consumer-size packages (less than 100 pounds)	7,712,805	42,402,459	479,813	-	50,595,077

Note: Some data in this table are included in comparable types of product to avoid disclosing individual company data.

1/ Represents approximately 96 percent of deliveries by primary distributors in continental United States.

Source: Reports of primary distributors of sugar to Sugar Branch, FMA.

TABLE 11

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	974,251	+ 8.6
Confectionery and related products	94,135	+36.2
Ice cream and dairy products	44,767	+ 9.9
Beverages	110,638	-31.4
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	143,931	-18.1
Multiple and all other food uses	101,265	+ 4.1
Non-food products	134,763	- 6.3
Wholesale grocers; jobbers; retail grocers; chain; super markets	49,558	- 9.5
Other sales including sales to Government agencies	44,556	+103.0
TOTAL DOMESTIC SALES	1,697,864	+ 2.2
<u>New England</u>		
Bakery and allied products; cereals and cereal products	36,824	-21.0
Confectionery and related products	2,361	+74.1
Ice cream and dairy products	3,539	+122.3
Beverages	7,063	-27.2
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	1,122	-71.9
Multiple and all other food uses	2,547	+66.6
Non-food products	1,582	-81.6
Wholesale grocers; jobbers; retail grocers; chain; super markets	2,699	+71.4
Other sales including sales to Government agencies	582	+39.1
TOTAL DOMESTIC SALES	58,319	-27.8

(continued)

TABLE 11(contd.)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	197,588	+ 3.2
Confectionery and related products	45,078	+ 6.4
Ice cream and dairy products	8,760	+ 3.1
Beverages	28,081	-28.7
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	29,293	+16.9
Multiple and all other food uses	28,367	-16.5
Non-food products	42,920	+31.3
Wholesale grocers; jobbers; retail grocers; chain; super markets	4,796	-39.5
Other sales including sales to Government agencies	4,664	- 5.5
TOTAL DOMESTIC SALES	389,547	+ .8
<u>North Central</u>		
Bakery and allied products; cereals and cereal products	391,910	+ 8.5
Confectionery and related products	36,268	+130.2
Ice cream and dairy products	9,550	-20.5
Beverages	42,665	-34.9
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	21,222	+54.8
Multiple and all other food uses	48,485	+ 7.7
Non-food products	31,117	-14.5
Wholesale grocers; jobbers; retail grocers; chain; super markets	23,405	-11.4
Other sales including sales to Government agencies	26,054	+182.7
TOTAL DOMESTIC SALES	630,676	+ 7.7

(continued)

TABLE 11(contd.)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, FOURTH QUARTER 1951

Area and Product or Business of Buyer	Fourth Quarter 1951 (cwt.)	Change from 4th quarter 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	237,835	+12.5
Confectionery and related products	5,174	+28.2
Ice cream and dairy products	11,236	- .9
Beverages	18,620	-37.3
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	39,531	-35.2
Multiple and all other food uses	17,232	+43.7
Non-food products	57,258	- 3.3
Wholesale grocers; jobbers; retail grocers; chain; super markets	6,962	-24.8
Other sales including sales to Government agencies	11,173	+101.0
TOTAL DOMESTIC SALES	405,021	+ .4
<u>West</u>		
Bakery and allied products; cereals and cereal products	110,094	+27.7
Confectionery and related products	5,254	- 6.1
Ice cream and dairy products	11,682	+59.6
Beverages	14,209	-16.1
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	52,763	-26.6
Multiple and all other food uses	4,634	- 1.8
Non-food products	1,886	-10.3
Wholesale grocers; jobbers; retail grocers; chain; super markets	11,696	+22.2
Other sales including sales to Government agencies	2,083	+61.8
TOTAL DOMESTIC SALES	214,301	+ 4.2

Source: Reports of Dextrose manufacturers to the Sugar Branch, PMA.

TABLE 12

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, CALENDAR YEAR 1951

Area and Product or Business of Buyer	Calendar Year 1951 (cwt.)	Change from calendar year 1950 (percent)
<u>United States</u>		
Bakery and allied products; cereals and cereal products	3,707,232	-6.7
Confectionery and related products	306,912	+ .5
Ice cream and dairy products	271,663	+2.8
Beverages	694,027	-12.1
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	691,851	- 7.7
Multiple and all other food uses	411,263	+ 4.4
Non-food products	496,010	+20.7
Wholesale grocers; jobbers; retail grocers; chain; super markets	221,513	-13.1
Other sales including sales to Government agencies	157,467	+ 5.0
TOTAL DOMESTIC SALES	6,957,938	- 4.5
<u>New England</u>		
Bakery and allied products; cereals and cereal products	148,625	-17.6
Confectionery and related products	6,704	+19.8
Ice cream and dairy products	23,187	+132.8
Beverages	36,643	- 16.1
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	4,669	- 45.3
Multiple and all other food uses	8,294	- 2.3
Non-food products	17,391	- 7.2
Wholesale grocers; jobbers; retail grocers; chain; super markets	7,372	+ 26.9
Other sales including sales to Government agencies	3,630	+ 18.4
TOTAL DOMESTIC SALES	256,515	- 9.8

(continued)

Table 12 (continued)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, CALENDAR YEAR 1951

Area and Product or Business of Buyer	Calendar Year 1951 (cwt.)	Change from Calendar Year 1950 (percent)
<u>Middle Atlantic</u>		
Bakery and allied products; cereals and cereal products	755,379	- 5.5
Confectionery and related products	162,284	- 4.0
Ice cream and dairy products	58,287	+ 13.2
Beverages	146,630	- 5.5
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	86,143	- 5.2
Multiple and all other food uses	128,690	- 4.4
Non-food products	131,121	+ 11.1
Wholesale grocers; jobbers; retail grocers; chain; super markets	28,627	+ 11.8
Other sales including sales to Government agencies	22,511	- 33.4
TOTAL DOMESTIC SALES	1,519,672	- 3.7

North Central

Bakery and allied products; cereals and cereal products	1,507,436	- 4.9
Confectionery and related products	98,187	+ 10.1
Ice cream and dairy products	72,059	- 13.9
Beverages	294,269	- 14.6
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	90,592	- 6.0
Multiple and all other food uses	187,482	+ 4.1
Non-food products	112,340	- 10.8
Wholesale grocers; jobbers; retail grocers; chain; super markets	94,323	- 14.6
Other sales including sales to Government agencies	81,685	+ 44.0
TOTAL DOMESTIC SALES	2,538,373	- 5.0

(continued)

TABLE 12 (contd.)

DEXTROSE: TOTAL SALES, BY TYPE OF BUYER, UNITED STATES
AND BY AREA, CALENDAR YEAR 1951

Area and Product or Business of Buyer	Calendar Year 1951 (cwt.)	Change from Calendar Year 1950 (percent)
<u>South</u>		
Bakery and allied products; cereals and cereal products	892,726	-11.3
Confectionery and related products	22,916	+ 8.9
Ice cream and dairy products	76,585	+ 6.1
Beverages	139,711	- 5.2
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	148,709	-32.4
Multiple and all other food uses	57,506	+ 5.5
Non-food products	229,084	+63.2
Wholesale grocers; jobbers; retail grocers; chain; super markets	39,387	-28.9
Other sales including sales to Government agencies	38,477	- 8.8
TOTAL DOMESTIC SALES	1,645,101	- 6.5
<u>West</u>		
Bakery and allied products; cereals and cereal products	403,066	-
Confectionery and related products	16,821	-17.5
Ice cream and dairy products	41,545	-11.4
Beverages	76,774	-21.8
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	361,738	+ 8.4
Multiple and all other food uses	29,291	+80.3
Non-food products	6,074	-22.1
Wholesale grocers; jobbers; retail grocers; chain; super markets	51,804	- 2.6
Other sales including sales to Government agencies	11,164	-21.3
TOTAL DOMESTIC SALES	998,277	+ .4

Source: Reports of Dextrose manufacturers to the Sugar Branch, PMA.

Table 13

CORN SIRUP (UNMIXED) SALES BY TYPE OF PRODUCTS OR BUSINESS OR BUYER,
FOURTH QUARTER 1951

UNITED STATES

<u>Product or Business of Buyer</u>	<u>Fourth Quarter 1951 (cwt.)</u>	<u>Change from Fourth Quarter 1950 (Percent)</u>
<u>Bakery and allied products, cereal and cereal products</u>	298,038	/ 7.1
<u>Confectionery and related products</u>	2,081,634	/ .9
<u>Ice cream and dairy products</u>	84,183	/ 16.8
<u>Brewery and brewery supply houses</u>	80,307	-
<u>Soft drinks</u>	1,761	-65.6
<u>Total Beverages</u>	82,068	-3.8
<u>Canned, bottled, frozen foods, jams, jellies, preserves, etc.</u>	222,977	/ 27.8
<u>Blended sirups</u>	919,065	/ 36.4
<u>Miscellaneous food products</u>	248,373	/ 29.5
<u>Total multiple and all other products</u>	1,167,438	/ 34.9
<u>Non-food products</u>	128,259	-10.0
<u>Wholesale grocers, jobbers, sugar dealers</u>	80,063	- 5.4
<u>TOTAL DOMESTIC SALES</u>	4,144,665	/ 10.0
<u>TOTAL DOMESTIC SALES, DRY BASIS ¹</u>	3,328,166	

1/ Based on 43° sirup with average solids content of 80.3 percent.

Sources: Corn refiners' reports to Price Waterhouse; distributed through Grain Branch, PMA.

CORN SIRUP (UNMIXED) SALES BY TYPE OF PRODUCTS OR BUSINESS OF BUYER,
CALENDAR YEAR 1951

Table 14

UNITED STATES

<u>Product or Business of Buyer</u>	<u>Calendar Year 1951 (cwt.)</u>	<u>Change from Calendar Year 1950 (percent)</u>
Bakery and allied products, cereal and cereal products	1,069,526	+3.2
Confectionery and related products	7,088,705	-4.7
Ice cream and dairy products	415,386	+31.1
Brewery and brewery supply houses	356,684	-2.9
Soft drinks	10,023	-44.2
Total beverages	366,707	-4.8
Canned, bottled, frozen foods, jams, jellies, preserves, etc.	1,108,250	+14.2
Blended sirups	3,186,288	+7
Miscellaneous food products	945,563	+32.1
Total multiple and all other products	4,131,651	+6.5
Non-food products	496,303	-2.5
Wholesale grocers, jobbers, sugar dealers	285,325	-5.7
<u>TOTAL DOMESTIC SALES</u>	<u>14,961,833</u>	<u>+8</u>
TOTAL DOMESTIC SALES, DRY BASIS 1/	12,014,352	

1/ Based on 43° sirup with average solids content of 80.3 percent.

Source: Corn refiners' reports to Price Waterhouse; distributed through the Grain Branch, PMA.

PRIMARY DISTRIBUTORS' SUGAR STOCKS - MARCH 31

Stocks of raw and refined sugar in the hands of primary distributors as of the end of March from 1935 to 1952 are shown in Table 15.

Stocks held by primary distributors as of the end of March 1952, 1.3 million short tons were 24 percent less than stocks on March 31, 1951 and the smallest as of that date since 1947. Refiners total stocks of raw and refined, 363 thousand short tons, were 42 percent lower, and were the lowest as of that date since such data have been compiled by the U. S. Department of Agriculture except in 1946 when they were 351 thousand short tons. Beet processors' stocks, 891 thousand short tons, were 12 percent less than a year ago. Importers' stocks at the end of March 1952 were 31 thousand short tons as compared with 46 thousand short tons in 1951.

TABLE 15--STOCKS OF RAW AND REFINED SUGAR IN THE CONTINENTAL UNITED STATES IN HANDS OF PRIMARY DISTRIBUTORS AS OF MARCH 31, 1935 TO 1952
(1,000 SHORT TONS, RAW VALUE)

Year	Total	Beets	Refiners (cane)		Total refiners	Importers	Mainland cane mills
			Raw	Refined			
1935	1,787	804	403	391	794	189	1/
1936	1,392	607	215	410	625	160	1/
1937	1,035	576	147	235	382	77	1/
1938	1,734	878	306	417	723	133	1/
1939	2,078	1,236	269	369	638	109	95
1940	2,489	1,164	622	457	1,079	162	84
1941	1,706	1,094	347	143	490	103	19
1942	1,606	1,062	257	173	430	75	39
1943	1,862	1,048	402	258	660	70	84
1944	1,295	617	292	281	573	53	52
1945	1,004	528	340	91	431	14	31
1946	1,184	728	196	155	351	28	77
1947	1,318	797	200	179	379	59	83
1948	1,949	1,182	547	333	680	53	34
1949	1,443	787	309	265	574	59	23
1950	1,567	879	308	303	611	59	18
1951	1,724	1,016	295	336	631	46	31
1952 2/	1,309	891	165	198	363	31	24

1/ Data not available.

2/ Preliminary; as of March 29, except for mainland cane mills, which are as of February 29.

INVISIBLE SUPPLIES OF SUGAR -APRIL-DECEMBER 1951

The estimated invisible supplies of sugar in the United States at the end of December 1951, 403 thousand short tons, were about 21 percent smaller than on September 30 and 47 percent smaller than on July 1. (Table 16)^{1/}

Stocks of sugar in the hands of retailers, of wholesalers, and of industrial users all were smaller than at the end of September. Retailers' stocks decreased from 108 thousand short tons to 95 thousand, 12 percent; wholesalers' stocks decreased from 96 thousand to 79 thousand short tons, 18 percent; and industrial users stocks decreased from 304 thousand short tons to 229 thousand, 25 percent. Of the total estimated stocks of 403 thousand short tons on December 31, 1951, approximately 24 percent was in the hands of retailers, approximately 20 percent in the hands of wholesalers, and approximately 56 percent was in the hands of industrial users.

^{1/} The estimates for the second quarter are not strictly comparable with those for the third and fourth quarters since the sample for that quarter was not the same as that for the latter two. Smaller establishments located in places of 2500 population or less were included in the third and fourth quarter surveys but not in that for the second quarter.

Table 16 .- ESTIMATED QUARTERLY SUGAR INVENTORIES, RECEIPTS,
AND DELIVERIES OR USAGE FOR RETAILERS, WHOLESALERS
AND INDUSTRIAL USERS, APRIL-DECEMBER 1951
(Short tons, raw value)

Type of Business	Beginning Inventory	Receipts 1/	Deliveries or Usage	Ending Inventory
<u>April - June 1951 (Revised)</u>				
Retail	35,994 2/	453,867	412,258	77,603
Wholesale	131,532	911,701	846,807	196,426
Industrial Use	<u>287,754</u>	<u>1,086,013</u>	<u>944,067</u>	<u>429,700</u>
Total	455,280	2,451,581	2,203,132	703,729
<u>July - September 1951 (Revised)</u>				
Retail	131,367	864,200	887,744	107,823
Wholesale	194,579	737,809	835,943	96,445
Industrial Use	<u>438,484</u>	<u>992,601</u>	<u>1,126,792</u>	<u>304,293</u>
Total	764,430	2,594,610	2,850,479	508,561
<u>October - December 1951</u>				
Retail	114,497	823,494	843,007	94,984
Wholesale	95,256	699,662	716,094	78,824
Industrial Use	<u>307,261</u>	<u>800,172</u>	<u>878,414</u>	<u>229,019</u>
Total	517,014	2,323,328	2,437,515	402,827

1/ There is some duplication in the receipts as shown since some passes from primary distributors through wholesalers to retailers or industrial users.

2/ Estimated beginning inventories for retail chains with 11 or more outlets, 22,612 short tons. Data for retail firms with fewer than 11 establishments not collected by Bureau of the Census. Total estimated by Department of Agriculture by assuming the same relationship between usage and receipts for the firms with fewer than 11 establishments as exists for those with 11 or more establishments.

Source: Bureau of the Census, U. S. Department of Commerce.

INDUSTRIAL MOLASSES SUPPLIES, UTILIZATION AND PRICESMolasses Supplies and Utilization

Total supplies of inedible molasses in calendar year 1951 were 464 million gallons. Supplies from each source were as follows:

<u>Source of Industrial Molasses</u>	<u>Calendar Year 1951</u> <u>(Million gallons)</u>
<u>Offshore areas</u>	
Cuba	130
Puerto Rico	50
Hawaii	42
Other areas ^{1/}	<u>104</u>
Total offshore supplies	326
<u>Domestic areas</u>	
Mainland cane	42
Cane sugar refiners	33
Hydrol	18
Citrus	10
Beet	<u>35</u>
Total domestic supplies	138
Total supplies	464

Supplies available in 1952 are expected to be about 6 percent greater than in 1951, or about 495 million gallons. Cuba has announced that about 220 million gallons of blackstrap will be available for export to all buyers from that country's current crop which is estimated at 325 million gallons. In addition there was a carryover of about 30 million gallons from the 1951 Cuban crop. Thus it is anticipated that imports of Cuban molasses in 1952 by the United States will exceed 1951 imports. Buyers of Cuban molasses and the Cuban Sugar Stabilization Institute have not yet agreed on contract prices for the bulk of Cuba's 1952 crop. The Institute is asking the same price, 20 cents per gallon, f.o.b. Cuba, for current crop molasses as was received for 1951 exports, while buyers have offered a somewhat lower figure. However, it is expected that agreement will be reached before supply conditions become critical.

^{1/} Includes 20 million gallons from Haiti and Dominican Republic and 25 million gallons from Mexico; balance consists of small lots from other countries.

MOLASSES, BLACKSTRAP; PRICE PER GALLON F.O.B. TANK CAR

NEW YORK AND NEW ORLEANS, BY MONTHS, 1950 - MARCH 1952

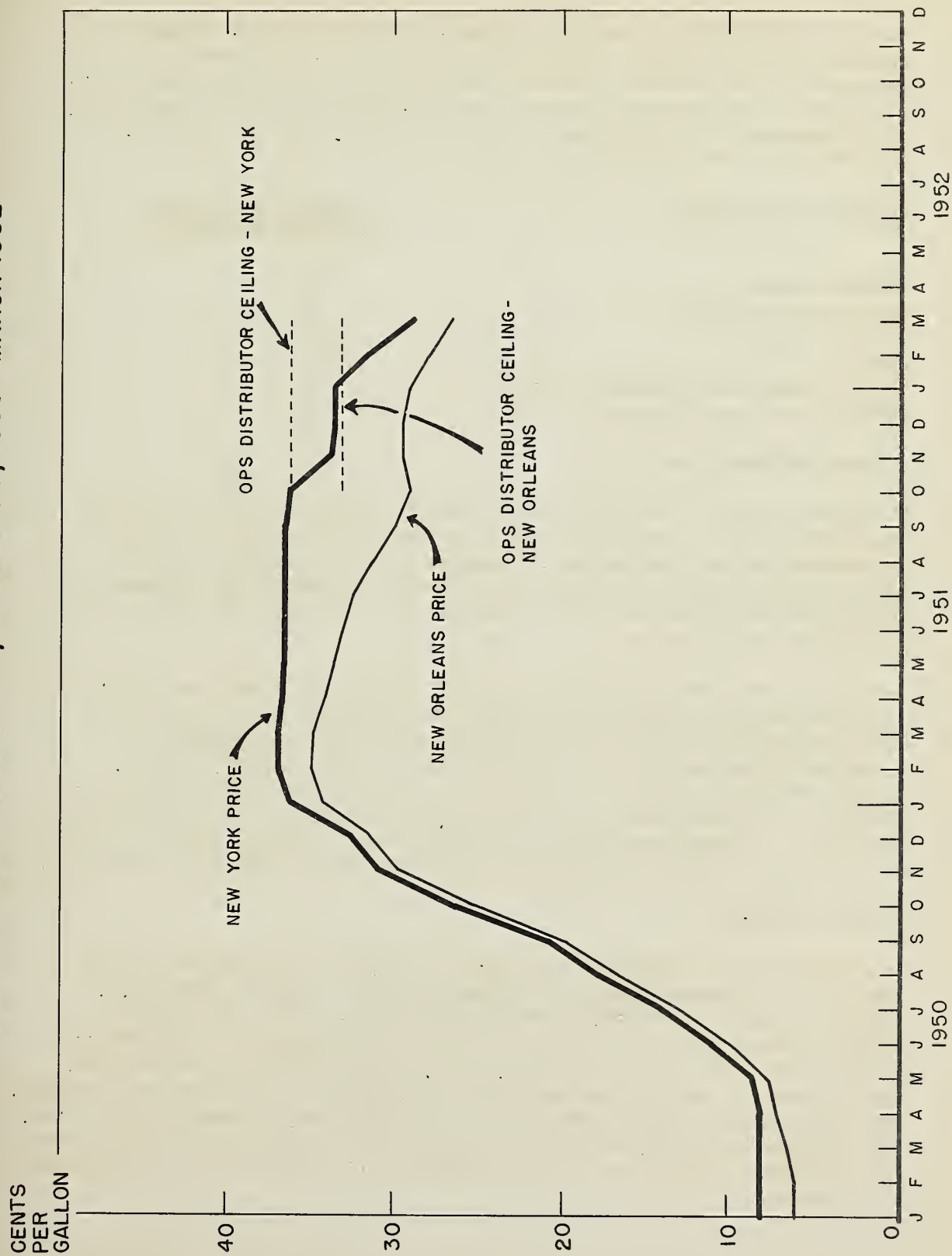


Figure 4

In 1951 the supply of inedible molasses was sufficient to meet all domestic requirements. Estimated utilization of molasses by category of use is shown below. These data were developed by using published statistics on molasses utilization in alcohol plants and by estimating all other uses, including feed. Changes in stock positions are not estimated.

<u>Molasses Used for:</u>	<u>Calendar Year 1951</u> <u>(Million gallons)</u>
Ethyl alcohol	152
Butanol and Acetone	7
Spirits and rum	2
Feed	245
Yeast, vinegar and citric acid	51
Edible and miscellaneous	<u>7</u>
Total utilization	464

Supplies in sight for 1952 also appear to be ample for all requirements particularly since the need for inedible molasses in the synthetic rubber program has lessened. It is expected that feed usage probably will increase considering the decline in molasses prices coupled with the relatively tight feed grain situation and high feed grain prices.

In view of the somewhat easier supply situation, export controls on inedible molasses have been relaxed and approval will be given to applications for export of reasonable quantities to countries customarily purchasing inedible molasses in the United States. Export licenses will be required from the Office of International Trade, U. S. Department of Commerce, for all shipments. Exports of inedible molasses have been embargoed since October, 1950 in order to prevent depletion of supplies needed to meet essential domestic uses.

Molasses Prices

The adequacy of supplies in relation to demand is evidenced by the decline in molasses prices in recent months. The New York f.o.b. tankcar price has declined gradually from the O.P.S. distributor ceiling price set at 35 cents per gallon in October of 1951 to the present level of 28 cents (Figure 4). During the same period the New Orleans price has declined from 29.5 cents per gallon to 26 cents. The distributor ceiling price for New Orleans is 33 cents per gallon. The differential between New York and New Orleans prices which widened to more than 6 cents per gallon in the fall of 1951 now has narrowed to 2 cents.

THE COCOA SITUATION

Since our last report on the cocoa situation was published (Sugar Reports No. 13,) the supply and price situation has changed significantly. Previously, crop prospects pointed to record production in the major exporting countries and prices seemed likely to decline to levels which would permit greater consumption of cocoa and chocolate products. Now, however, it is evident that previous estimates for the 1951-52 crop were too optimistic. Reports from several important producing areas indicate that unfavorable growing conditions are reducing the size of the world cocoa crop well below that predicted earlier this season. In the Gold Coast and Nigeria, where about half the world's cocoa is produced, the shortened crop is attributed mostly to unusually heavy rainfall. In addition, the swollen shoot disease is reported as being unusually active. Brazil, which normally produces almost one-fourth of the world crop, reports that lack of rainfall is causing its cocoa output to fall below expectations.

The most recent estimates of cocoa production indicate that the 1951-52 crop will probably be about 11 percent less than in 1950-51--the record year to date (table 17). This year's crop may even be slightly below the average production for the years just preceding World War II. The 1951-52 season is far enough along so that it is possible to be reasonably certain of world supply prospects until the 1952-53 African crop begins in September. It appears that world supplies of cocoa will remain fairly tight for the next few months, even though demand, at prevailing price levels, may be expected to decline somewhat.

Figure 5 shows the movement of the spot prices of Accra cocoa beans during 1951 and through March 21, 1952. The price of Accra is representative of the base grades from Africa, Brazil and the Dominican Republic. About one year ago, the Accra bean price was at the O.P.S. ceiling of 38-3/8 cents per pound. The price remained at or near this level through June. It was lower in July and August averaging between 35 and 35-1/2 cents. Then, in September, a steady decline began and continued to late November when the 1951 low of about 28-1/2 cents was reached. During recent months, however, as reports of deteriorating crop prospects have been confirmed, the market has strengthened steadily. In late February, prices rose to the ceiling and have remained at about that level.

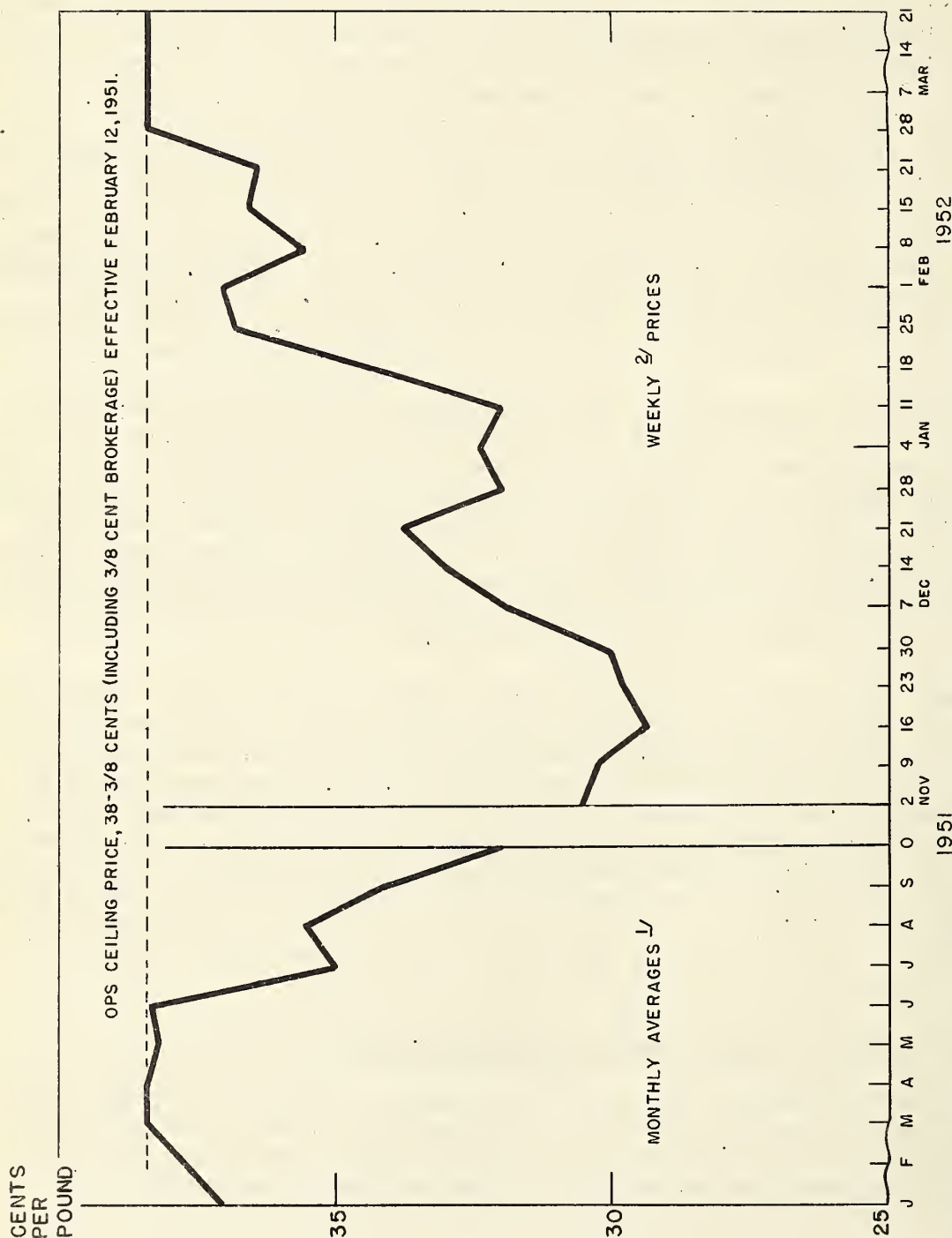
Ingredients Used by the Confectionery Industry

On March 28, 1952, the Bureau of the Census, U. S. Department of Commerce published data showing the results of a survey of the use of ingredients by confectioners in 1947 and 1950. These data are shown in table 18. Percentages have been calculated for the various ingredients to show relative use.

From a poundage standpoint "sugar and sweeteners" were, by far, the most important ingredients in both 1947 and 1950, comprising about 60 percent of the total. Sugar made up about two-thirds of the sweeteners and corn sirup approximately one-third; other sweeteners were of minor importance.

AVERAGE MONTHLY PRICE PER POUND OF ACCRA COCOA BEANS, SPOT, F.O.B.

NEW YORK CITY, JANUARY-OCTOBER 1951, AND FRIDAY PRICES, NOV. 2, 1951-MAR. 21, 1952



1/ Monthly average prices from Bureau of Labor Statistics Reports. 2/ Friday prices from trade sources.

Figure 5. About a year ago cocoa bean prices were at the O.P.S. ceiling of 38 3/8 cents per pound. Prices began to weaken in June continuing downward to the 1951 low of about 29 1/2 cents in late November. During recent months reports of severely damaged crops have been confirmed and the market has strengthened. In late February, 1952, cocoa bean prices again reached the ceiling and have since remained at that level.

TABLE 17.-- COCOA: ESTIMATED WORLD PRODUCTION OF COCOA BEANS, AVERAGE 1935-36 TO 1939-40 AND 1945-46 TO 1947-48, ANNUAL 1948-49 TO 1951-52 1/4/

Country	Ave. 1935-36 to 1939-40 2/		Ave. 1945-46 to 1947-48		1948-49	1949-50	1950-51	1951-52 3/
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
North America								
Costa Rica	14,356	11,020	13,870	9,700	6,400		7,900	
Cuba	7,000	5,865	6,500	7,200	5,500		6,500	
Dominican Republic	54,049	62,110	52,470	72,020	68,140		60,000	
Granada	8,536	5,575	5,670	6,720	6,720		6,720	
Haiti	3,349	3,800	3,440	4,110	3,970		4,000	
Jamaica	4,750	3,907	4,790	4,830	4,420		4,440	
Mexico	2,500	11,120	14,330	15,000	19,800		17,600	
Panama	10,418	5,962	6,870	5,200	4,200		3,500	
Trinidad & Tobago	31,635	11,512	12,645	13,440	15,680		19,940	
Other North American	1,307	2,517	4,230	3,330	2,940		3,340	
Total	137,900	123,138	124,535	141,610	155,770		155,940	
South America								
Brazil	263,980	267,367	276,350	356,000	300,000		250,000	
Columbia	25,000	21,828	29,750	32,080	30,860		31,000	
Ecuador	42,373	35,841	43,700	47,640	61,400		43,000	
Venezuela	36,934	41,173	31,310	30,000	34,500		32,100	
Total	368,287	366,509	381,120	465,720	426,760		356,100	
Africa								
Belgian Congo	2,809	2,867	3,750	3,750	3,930		4,500	
Fernando Po. Rio Muni	25,000	34,000	30,200	38,840	31,740		33,000	
Fr. Cameroons &								
Equatorial Africa	60,221	87,720	109,000	110,000	111,000		108,000	
French West Africa	109,937	79,576	111,600	122,000	133,000		110,000	
Gold Coast	605,363	455,533	623,150	572,000	590,000		535,000	
Nigeria	216,318	215,000	241,900	228,000	247,000		210,000	
Sao Thome & Principe	22,496	20,333	16,000	17,800	16,800		17,000	
Other Africa	8,727	8,823	9,600	9,020	13,980		13,540	
Total	1,054,371	903,852	1,145,200	1,101,410	1,147,450		1,031,040	
Asia & Oceania								
Total	17,483	13,293	14,490	13,480	14,330		15,470	
Grand total	1,578,541	1,406,842	1,635,345	1,722,220	1,724,310		1,536,550	

1/ Production in Brazil for the 12 months May 1-Apr. 30. Production in most other countries from Oct. 1 to Sept. 30. 2/ Export data have been used for all countries except Mexico, Cuba and Columbia. 3/ Preliminary

4/ Compiled or estimated by OFAR, USDA, from official statistics of foreign governments and U.S. Foreign Service Reports.

TABLE 18 - ESTIMATED AMOUNTS AND AVERAGE COST OF INGREDIENTS USED BY THE CONFECTIONERY INDUSTRY, 1947 and 1950. 1/ 2/

	Quantity			Cost			Percent			Average cost		
	1,000 pounds	1950	1947	1,000 dollars	1950	1947	1950	1947	1950	per pound	1947	1950
Sugar and sweeteners	1,761,348	1,932,062	58.9	124,798	135,383	29.2	33.7	29.2	33.7	\$0.071	\$0.071	\$0.070
Cane and beet sugar	1,020,055	1,218,032	34.1	85,138	99,272	19.9	24.7	19.9	24.7	.084	.084	.082
Corn sugar	30,061	14,517	1.0	2,207	1,030	0.5	0.2	0.5	0.2	.073	.073	.071
Corn syrup	676,864	678,683	22.6	35,096	33,642	8.2	8.4	8.2	8.4	.052	.052	.050
Other sweeteners	34,368	20,837	1.2	2,357	1,439	0.6	0.4	0.6	0.4	.069	.069	.069
Corn starch	20,074	30,936	0.7	1,307	1,980	0.3	0.5	0.3	0.5	.065	.065	.064
Cocoa and chocolate products	508,932	490,251	17.0	172,285	153,407	40.3	38.2	40.3	38.2	.339	.339	.313
Cocoa beans	178,753	198,666	6.0	49,377	53,130	11.5	13.2	11.5	13.2	.276	.276	.267
Cocoa powder	5,878	9,776	0.2	1,082	2,274	0.3	0.6	0.3	0.6	.184	.184	.233
Cocoa butter	29,989	23,098	1.0	20,099	13,548	4.7	3.4	4.7	3.4	.670	.670	.587
Chocolate liquors	27,430	8,993	0.9	11,507	3,685	2.7	0.9	2.7	0.9	.420	.420	.410
Chocolate coatings	266,882	249,718	8.9	90,220	80,770	21.1	20.1	21.1	20.1	.338	.338	.323
Milk	178,968	157,623	6.0	60,214	51,016	14.1	12.7	14.1	12.7	.336	.336	.324
Dark	73,031	79,185	2.4	25,314	25,812	5.9	6.4	5.9	6.4	.347	.347	.326
Light sweet	14,883	12,910	.5	4,692	3,942	1.1	1.0	1.1	1.0	.315	.315	.305
Milk and milk products	340,633	362,213	11.4	32,674	28,370	7.6	7.0	7.6	7.0	.100	.100	.077
Fluid milk	194,177	258,244	6.5	7,200	9,741	1.7	2.4	1.7	2.4	.037	.037	.038
Cond. & evap. milk	96,343	72,266	3.2	12,018	7,631	2.8	1.9	2.8	1.9	.125	.125	.106
Dried milk	28,892	19,420	1.0	7,723	5,340	1.8	1.3	1.8	1.3	.267	.267	.275
Cream	3,538	3,309	0.1	971	849	0.2	0.2	0.2	0.2	.274	.274	.257
Creamery butter	3,164	4,141	0.1	2,332	2,691	0.5	0.7	0.5	0.7	.737	.737	.650
Other milk products	14,519	10,833	0.5	2,430	2,118	0.6	0.5	0.6	0.5	.167	.167	.196
Egg and egg products:	6,735	6,368	0.2	2,893	1,607	0.7	0.4	0.7	0.4	.430	.430	.252
Fats & oils	39,062	31,921	1.3	11,261	7,141	2.6	1.8	2.6	1.8	.288	.288	.224

(continued on next page)

Table 18 (contd.) - ESTIMATED AMOUNTS AND AVERAGE COST OF INGREDIENTS USED BY THE CONFECTIONERY INDUSTRY, 1947 and 1950. 1/ 2/ (continued)

	Quantity		Percent		1,000 dollars		Cost		Percent		Average cost	
	l.000 pounds		:		:		:		:		per pound	
	1947	1950	1947	1950	1947	1950	1947	1950	1947	1950	1947	1950
Flavoring materials	3,495	3,965	0.1	0.1	5,779	4,568	1.4	1.1	1.653	1.152		
Fruit, jams & fruit products	12,543	15,193	0.4	0.5	3,933	4,924	0.9	1.2	0.314	0.324		
Peanuts, kernels	199,975	136,337	6.7	4.3	33,660	25,111	7.9	6.2	.168	.184		
Coconut meat	18,570	64,201	0.6	2.0	5,316	12,467	1.2	3.1	.286	.194		
Nut meats	44,660	39,356 ^{4/}	1.5	1.2	28,514	20,345 ^{4/}	6.7	5.0	.638	.714 ^{4/}		
Other ingredients	34,521	56,807	1.2	1.8	5,290	7,062	1.2	1.8	.153	.124		
Total ingredients	2,990,548	3,175,617	100.0	100.0	427,710	402,365	100.0	100.0	\$0.143	\$0.127		
Finished goods marketed	2,603,000	2,730,000			955,700	920,000			\$0.367	\$0.337		
Ratio of ingredients to finished goods	114.9%	116.3%			44.8%	43.7%						

1/ From data published in "Confectionery Sales and Distribution - 1950", Bureau of the Census, U. S. Department of Commerce, issued March 28, 1952.

2/ Includes materials used in candy manufacture by confectionery-wholesalers, chocolate manufacturers (consumer-type confectionery items only), and manufacturer-retailers.

3/ Revised in line with totals and matching data reported in the Census of Manufacturers, 1947.

4/ Includes 26,196,000 pounds of almonds, valued at 12,339,000 dollars (an average value of 47.1 cents per pound).

The sweetener figure does not include the sweeteners used in some of the other ingredients, such as chocolate coatings, sweetened condensed milk, and jams. Next in importance were the cocoa and chocolate products which constituted from 15 to 17 percent of all confectionery ingredients. Milk and milk products were third and peanuts fourth.

The most notable changes in relative use of ingredients since 1947 were the increase in the use of sugar and coconut and the rather sharp declines in the use of peanuts, corn sugar and "other sweeteners." There was also some decline in the use of cocoa and chocolate products and nut meats.

In both 1947 and 1950, dollarwise, the relative importance of the ingredients was somewhat different than on a quantity basis, due, of course, to differences in unit prices. About 40 percent of the candy ingredient dollar went for cocoa and chocolate products each year. "Sugar and sweeteners" was the next highest cost item. In 1947, peanuts were third and milk and milk products fourth. However, in 1950, the positions of milk and milk products and peanuts were reversed. Nut meats, such as almonds and pecans, were fifth in importance both years from a cost standpoint.

In 1950, the least expensive ingredients used in confectionery were fluid milk, sugar and other sweeteners and corn starch. Fluid milk cost about 4 cents per pound, corn starch slightly over 6 cents and sweeteners 7 cents. Butter, nut meats, and essential oils were the most costly items.

Importance of Cocoa and Chocolate in Confectionery

Cocoa beans, the raw material from which all cocoa and chocolate products are made, have almost quadrupled in price since the end of wartime controls in October 1946. During the war the cocoa bean ceiling was 8-9 cents per pound. After decontrol the price rose rapidly reaching a postwar peak of slightly over 50 cents in November 1947. Since that time, the price has ranged between about 25 and 40 cents per pound--greatly increasing the importance of chocolate as a cost item in confectionery manufacture. On the average, other ingredients have increased less in price than chocolate.

MEETING MARCH 3-5, 1952 SPECIAL COMMITTEE OF THE
INTERNATIONAL SUGAR COUNCIL

The Special Committee of the International Sugar Council met in London, England, March 3-5, 1952 to consider the possibility of there being made effective a new International Sugar Agreement for world-wide stability of the sugar industry. ^{1/} The meeting was attended by official representatives of 19 governments, by observers from 6 other governments, and by an observer from the Food and Agriculture Organization of the United Nations.

Between the June-July 1950 meeting of the Special Committee and the meeting of March 1952 the Committee Chairman, after consultation and with assistance of others, prepared a simplified draft of a proposed new agreement. It was agreed at the meeting that this draft would supersede all previous drafts and would be used as a working basis for further consideration and study. It should be emphasized that no commitments were made by the representatives of any of the countries present as to the approval of the terms of the draft or of any new agreement. As compared to the 1937 Agreement, the proposed new International Sugar Agreement is broader in scope, is more affirmative in its terms, and is more simple in its context.

The simplified draft of the proposed new sugar agreement has three stated objectives: (1) to assure adequate supplies of sugar for importing countries and adequate markets for sugar for exporting countries at equitable and stable prices; (2) to increase sugar consumption throughout the world; (3) to maintain the external purchasing power of countries or areas largely dependent on the production or export of sugar for their economic life by providing adequate returns to producers and making it possible to maintain fair standards of labor conditions and wages.

To implement the objectives of the agreement certain of the provisions relate to obligations of all participating countries, some to special obligations of importing countries, some to special obligations of exporting countries, and others to actions assigned to the International Sugar Council.

All participating countries would agree to formulate and adopt programs of internal economic adjustments so as to insure maximum progress practical for solution of problems making the agreement necessary. They also would agree to take appropriate actions to reduce excessive burdens on sugar trade and consumption, (including those resulting from fiscal and tax policies, from monopoly or

^{1/} The provisions of the 1937 agreement dealing with the regulation of production, exports and stocks were suspended early in World War II and have been inoperative since.

from other private or public controls, with similar effects to a monopoly) so as to make sugar freely available to consumers at reasonable prices. Excessive burden on sugar consumption would be deemed to exist in any country with a low sugar consumption where per capita sugar consumption has remained practically static because of the relation of internal prices (including taxes) to world sugar prices.

Each importing country would agree that its program for production or marketing would not be for a quantity greater than its production in the base year plus a specified portion (to be defined before the agreement is put into effect) of the estimated increase in the domestic consumption during the current year over the base year; the remainder of the estimated increase in consumption would be reserved for the free market. No importing country would permit imports from countries subsidizing exports directly or indirectly in such a way as to impair the purpose of the agreement. An importing country would not buy from non-participating countries during any year a larger percent of its imports of sugar than it bought from those countries during the three marketing years preceding the agreement, unless it could not buy sugar from participating exporting countries at prices within the price range to be established in the agreement.

Each exporting country would agree to prevent its net exports from exceeding quotas established under the provisions of the agreement ^{2/} and, in the event the country's initial export quota exceeds 50,000 tons, it would not ship more than 85% of such initial quota during the first 9 months of a quota year. Exports of sugar which are subsidized directly or indirectly in such a way as to impair the purposes of the agreement would not be permitted. Shipments to non-participating countries during any year would not exceed, percentage wise, its exports to such countries during the three marketing years preceding the agreement; if sales could not be made to participating importing countries at prices within the price range to be established before the agreement is put into effect exporting countries would be exempt from this provision of the proposed new agreement. Insofar as practicable, production of

^{2/} Movements of sugar between Belgium, including Belgium Congo, the French Union, The Federal Republic of Germany, the Netherlands, and Luxembourg would be considered as a unit, if such countries leave for the free market a minimum tonnage (to be specified) of their combined import requirements plus a portion of their combined increases in consumption over the base year. Export to the United States for consumption therein would not be charged against the export quota.

sugar each year would be adjusted (by regulation of the manufacture of sugar where possible, otherwise by regulation of plantings or acreage) so as not to exceed the quantity needed to provide for domestic consumption, exports, and maximum stocks permitted under the agreement. In the event any exporting country finds that its basic export quota for any given year will not be fully utilized, notification to that effect would be given the International Sugar Council so that the latter could make appropriate reapportionments within prescribed limits. A penalty is prescribed for failure to notify the Council within a specified time limit.

The International Sugar Council, at least 30 days before the beginning of each quota year, would estimate net import requirements of the free market ^{3/}for such year and assign export quotas for the free market for each exporting country pro-rata of its basic quota. Such quotas would be subject to adjustment within maximum limits and under prescribed conditions, such as excessive changes in world prices. Particular obligations under the agreement with prescribed safeguards could be modified in the event of serious deterioration in the monetary reserve position of an importing country. By research and publicity the Council would consider and make recommendations to participating countries as to means of expanding consumption. The Council also would undertake or promote such work, including studies concerning the effects of other restrictive measures, and of economic, climate and other conditions on the consumption of sugar. It would also make a full study of the forms of special assistance given to the sugar industry in countries of the world. Information needed by the Council to carry out its functions would be supplied where necessary by participating countries. Such countries would inform the Council of measures ultimately taken on its recommendations.

At the March 1952 meeting it developed that representatives of many of the countries were not previously familiar with or did not correctly understand the sugar programs of United States, and its position with respect to a proposed new International Sugar Agreement. In order that the representatives of all countries may fully and correctly understand such programs and position, the United States delegate presented at the meeting a clarification of them. Representatives of other countries also clarified their positions with respect to several points. The full text of the clarification presented by the U. S. delegate, Mr. Lawrence Myers, Director of the Sugar Branch, Production & Marketing Administration, United States Department of Agriculture, is as follows:

^{3/} In making estimates of the free market the Council would take into consideration special provisions of the agreement relating to the British-Commonwealth countries.

REMARKS by Mr. Lawrence Myers, United States Delegate,
before a meeting of the Special Committee of the
INTERNATIONAL SUGAR COUNCIL in London,
March 4th, 1952

Mr. Chairman,

On behalf of the United States I wish to say that we welcome the opportunity of attending this meeting of the Special Committee of the International Sugar Council and of participating in its deliberations. We wish to take advantage of this occasion fully and frankly to state the position of the United States with respect to the important task to which this Committee is addressing itself-- i.e. trying to find a set of acceptable and sound principles upon which we may proceed in finally drafting a new, up-to-date, and effective International Sugar Agreement. In this connection, I wish to review the sugar policies which the United States has been following for a number of years. If these policies are known the views of the United States toward a new International Sugar Agreement will, I am sure, be more clearly understood.

Prior to 1933 the United States had a protective tariff on sugar. During the period from 1789 to 1933 United States tariff rates on sugar, with minor exceptions, ranged from 1 cent to 3 cents per pound. Under the Tariff Act of 1930 the rate was $2\frac{1}{2}$ cents per pound except in the case of Cuban sugar to which only 80 percent of the full duty rate was applicable. Although the United States tariffs on sugar which prevailed prior to 1933 were not high in comparison with tariffs, excise taxes and similar protective programs prevailing in many other countries, nevertheless they tended to stimulate our sugar production.

By 1933 it was evident that sharply increasing sugar production in the United States was not only preventing domestic beet and cane farmers from receiving adequate returns for their crops, and domestic laborers from getting adequate wages for their work, but also was contributing to the instability of the world sugar market. Accordingly, in 1934 the first United States sugar quota law was enacted to give more effective protection to a limited domestic industry and to increase our imports of sugar.

Under the Sugar Act quotas were established in terms of percentages of total United States sugar consumption, for both domestic sugar production and foreign sugar importations. These quota restrictions permitted sugar price increases while avoiding over-production. In addition, processors were required to pay at least established prices for their cane and beets and growers were required to pay at least established wages and to abolish child labour. A tax of

$\frac{1}{2}$ cent a pound--imposed contemporaneously with a corresponding reduction in the sugar tariff rate--financed conditional payments to cane and beet producers who limited their production and otherwise abided by the terms of the program.

The Sugar Act of 1934 continued in effect until 1937 when it was re-enacted as the Sugar Act of 1937. The latter Act continued in effect until 1948 when it in turn was revised and re-enacted by the Sugar Act of 1948. The 1948 law, with modifications, was extended last year until 1957.

The imposition of sugar quotas caused a sharp cut in sugar production in the United States. In the ten years prior to quota legislation--from 1923-1933--our domestic sugar production practically doubled--going from 2,046,000 to 3,911,000 tons.* In 1935 domestic production was cut to 3,421,000 tons. The effect of the quota program was even more striking if the Philippine Islands are included as a domestic area, which they were, in the pre-war period. Our imports from the Philippines rose fourfold--from 238,000 to 1,230,000 tons--in the ten years prior to quota restriction. In 1935 imports from the Philippine Islands were cut to 917,000 tons. During the first two years our quota legislation was in effect, the output of our domestic areas was reduced by 1,235,000 tons.

The benefit to the world sugar market of the restrictions in the production of sugar in the United States and the Philippines from 1933 to World War II needs no elaboration.

I have already referred to the fact that revisions were incorporated in the Sugar Act of 1948. Since Cuba had greatly expanded its production during the war to meet the needs of the United States and its Allies, it was felt that special aid should be given Cuba during the early post-war period. Accordingly, the 1948 law put fixed quota ceilings on domestic sugar producing areas. This gave Cuba and other foreign areas supplying the United States market the entire benefit of increases in the United States consumption. The increase in United States consumption amounts to around 125,000 tons annually. The 1948 Act also gave Cuba 95 percent and full duty countries the remaining 5 percent of all Philippine deficits. It was known these deficits would be substantial for several years.

Last year the Sugar Act was extended for the period 1953 to 1956 inclusive. The 1948 fixed quota ceilings on the production of sugar in all areas in the United States were continued without

* All figures in this statement are in short tons.

change except in the case of Puerto Rico and a 6,000 ton increase for the Virgin Islands. The Puerto Rican mainland quota was increased 170,000 tons, from 910,000 to 1,080,000 tons. The increase exceeds somewhat one year's increase in our consumption. Even with its larger quota Puerto Rico will be required to cut its crop sharply from the estimated 1952 production of around 1,450,000 tons so as to reduce its carryover to normal and then to stay within its new marketing quota.

In summary, for the past 18 years--and existing law directs a continuation for another four years--it has been the policy of the United States to restrict domestic sugar production and to foster increases in its imports of sugar. Prior to 1948 all quotas were expressed as percentages of our consumption requirements. Therefore all increases in our consumption during that period were shared proportionally by our domestic areas and by Cuba and other foreign areas supplying the United States market. For the nine year period 1948 through 1956 all domestic producing areas will have been held within fixed quota ceilings. Except for the increase of Puerto Rico's quota for 1953, all increases in consumption during this nine year period will be filled by imports from Cuba and other foreign countries. The fixed quota ceilings will thus permit only a 4 percent increase in domestic sugar production in the nine year period.

At the same time that the United States has restricted domestic sugar production it has also cut the rate of tariff on Cuban sugar from 2 cents a pound to $\frac{1}{2}$ cent. The tariff rate on full duty sugar has been reduced from $2\frac{1}{2}$ cents a pound in 1934 to $\frac{5}{8}$ of a cent now.

In 1936 the United States quota system resulted in a premium of about $1\frac{3}{4}$ cents per pound for quota sugar entering our market. Thereafter the premium fell sharply. Since the war the quota premium has generally amounted to much less than 1 cent per pound. In fact during most of the time since July 1950 sugar for shipment under quota to the United States has sold at a discount under world prices. At one time last year the discount amounted to $2\frac{1}{4}$ cents per pound. While the recent situation has been abnormal, it emphasizes the fact that sugar prices in the United States have been permitted to decline in relation to world prices under our Sugar Act programs since the 1930's. Our program, designed to be flexible, anticipates that quota premiums will increase in periods of falling world prices and diminish in periods of rising world prices. In late 1950 and early 1951 our diligence in holding down domestic sugar prices in face of inflationary forces in the world sugar market and of rising prices of competitive domestic crops resulted in a reduction of over 25 percent in our domestic sugar beet crop.

To our consumers the Sugar Act program has resulted in dependable supplies and stable prices. Although war-time consumer price subsidies were dropped in 1947, sugar prices in the United States ...

remained among the lowest in the world. In fact, in terms of consumer purchasing power sugar prices in the United States are the lowest in the world.

Higher wages of workers in our sugar beet and sugar cane fields has, from the outset, been a major objective of our Sugar Act programs. For all of our domestic areas taken together, wages of field workers in 1950 were 393 percent of those prevailing in 1934. In Hawaii and the sugar beet areas where mechanization has been most highly developed, wages of field workers have reached the highest levels in the world. The average rate for workers in our beet fields in 1950 was \$6.71 per day. In Hawaii the average rate in 1950 was \$9.23 per day and at present it is well above \$10 per 8-hour day. In Louisiana where the problems of mechanization have not yet been fully solved, and in Puerto Rico where mechanization is being applied slowly because of unemployment, wage rates are lower. However, the improvement in wage rates in these areas over the wages prevailing prior to the adoption of our Sugar Act program is equally impressive. Naturally we are proud of the improvements in the wages and living standards of field workers in the United States sugar producing industry.

The most striking effects of our Sugar Act programs occurred in our imports. Imports from Cuba rose from 1,552,000 tons in 1933 to 3,264,000 tons in 1950. In 1933 Cuban producers received 1.1 cents per pound f.a.s. for sugar shipped to the United States; in 1950 they received 5.1 cents per pound for such sugar, an increase of 360 percent. The income that Cuba received from sugar shipped to the United States in 1950 was nine times as much as it was in 1933. Incidentally, those countries whose exports substantially underwrite their economy may be interested in noting that the value of our exports to Cuba in 1950 was 18 times as great as it was in 1933.

The United States has the potential ability to produce every pound of sugar it consumes. I have already referred to the fact that production in Puerto Rico may approximate 1,450,000 tons this year, a production to be compared with its annual marketing quota during the 1953-56 period of 1,180,000 tons. Hawaii continues to produce higher yields of sugar per acre and will be desirous of a larger quota soon.

Our Mainland cane area's production has been exceeding its marketing quota in recent years. Its low production in 1951 was the result of bad growing conditions and a series of very hard freezes. There is no basis for anticipating a regular recurrence of these conditions.

In 1950 our production of beet sugar was over 2,000,000 tons, compared with a marketing quota for that area of 1,800,000 tons. In 1951 our price actions brought beet sugar production last year below 1,600,000 tons. Despite this, however, sugar beet production

continued to increase in some major producing areas, such as the Red River Valley. Moreover, during the remaining term of the Sugar Act 1,000,000 acres of irrigated land will be brought into production in the Columbia River Basin, an area where sugar beets are particularly well adapted.

The actions of the United States, of restricting its domestic sugar production and of increasing its imports, have gone far in improving conditions in the world market. It has helped to postpone the day of world surpluses. However, the action of one country alone can do little more than to postpone surpluses. It cannot prevent them. Action on a much broader front is needed to solve the world sugar problem.

The United States has consistently favoured a continuation of negotiations looking toward a new, realistic International Sugar Agreement. We are ready again to support those who wish to get on with constructive work at this time. At the 1950 London meeting the United States not only expressed itself in favour of a new International Sugar Agreement designed effectively to deal with post-war conditions, but to facilitate consideration of the Cuban draft proposals it submitted in skeleton form the text of a proposed new Agreement. Since the London meetings in 1950 we have had the privilege of consulting with our able Chairman in the development of a simplified draft of a new Agreement.

When proposals were first advanced for a meeting this winter we demurred, doubting whether the time was propitious for reaching an agreement on many of the issues before us. Strong demand conditions which have prevailed in the world sugar market for the past twenty months tend to make a realistic appraisal of the basic world sugar situation difficult at this time. However, since many of our friends felt that a meeting of this Committee was desirable now we concurred and looked forward to considering their proposals.

To us the situation may be summarized as follows:

1. The longer the excessive expansion of production continues in natural exporting and natural importing countries, the lower world prices will fall and the more severe the impact on the world sugar economy will be.

2. World sugar surplus problems cannot be avoided much longer. We hope these problems will be met by the interested nations in a multilateral agreement along the lines which the Committee has been considering. If reasonably satisfactory action cannot be obtained on a multilateral basis the exporting countries may be forced to undertake bilateral arrangements, with all the attendant disruptions to normal world trade that such arrangements involve.

3. We continue to believe that a program of reducing excessive trade barriers, eliminating export subsidies, and restricting protected or subsidized production, if made effective, would contribute most to the solution of the world sugar problem.

4. If it appears that an effective agreement cannot be reached along the lines of the present draft, it may well be that different approaches should be investigated.

5. World sugar problems can be solved effectively only through coordinated action of importing and exporting nations. This will require some sacrifice by each for the collective good.

In conclusion, I want to say again that this Committee, under Baron Kronacker, has already made real progress towards the development of a new International Sugar Agreement. I am confident that in time this Committee will find a satisfactory solution to the remaining problems.

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